

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5351**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 90 (MCL 211.90), as amended by 2018 PA 132.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 90. (1) Beginning December 31, 2013, eligible personal
2 property for which an exemption has been properly claimed under
3 this section is exempt from the collection of taxes under this act.

4 (2) An owner of eligible personal property shall claim the
5 exemption under this section by filing a statement with the local
6 tax collecting unit in which the eligible personal property is
7 located not later than February 20 of the first year the exemption
8 is claimed or, if February 20 of the first year the exemption is
9 claimed is a Saturday, Sunday, or legal holiday, not later than the

1 next day that is not a Saturday, Sunday, or legal holiday. For
 2 purposes of a statement delivered by the United States Postal
 3 Service, the filing is timely if the postmark date is on or before
 4 the filing deadline prescribed in this subsection. If the statement
 5 is not timely filed with the local tax collecting unit, a late
 6 submission may be filed directly with the March board of review
 7 before its final adjournment by submitting the statement prescribed
 8 in this subsection. The board of review shall not accept a filing
 9 after adjournment of its March meeting. An appeal of a denial by
 10 the March board of review may be made by filing a petition with the
 11 Michigan tax tribunal within 35 days of the denial notice. A
 12 statement filed under this subsection ~~shall~~**must** be in a form
 13 prescribed by the state tax commission and ~~shall~~**must** include any
 14 address where any property owned by, leased to, or in the
 15 possession of that owner or a related entity is located within that
 16 local tax collecting unit. ~~The~~**In the** statement, **the owner** shall
 17 ~~require the owner to~~ attest that the combined true cash value of
 18 all industrial personal property and commercial personal property
 19 in that local tax collecting unit owned by, leased to, or in the
 20 possession of that owner or a related entity on December 31 of the
 21 immediately preceding year is less than ~~\$80,000.00~~**\$180,000.00**.

22 (3) If a statement claiming the exemption under this section
 23 is filed as provided in subsection (2), the owner of that eligible
 24 personal property is not required to file a statement under section
 25 19.

26 (4) A person who claims an exemption for eligible personal
 27 property under this section shall maintain books and records and
 28 shall provide access to those books and records as provided in
 29 section 22. A local unit of government may develop and implement an

1 audit program that includes, but is not limited to, the audit of
2 all information submitted under subsection (2) for the current
3 calendar year and the 3 calendar years immediately preceding the
4 commencement of an audit. Any assessment as a result of an audit
5 must be paid in full within 35 days of issuance and must include
6 interest as described in subsection (5).

7 (5) An exemption granted under this section remains in effect
8 until the personal property is no longer eligible personal
9 property. An owner whose personal property is no longer eligible
10 personal property shall file by February 20 of the year that the
11 property is no longer eligible a rescission and the statement
12 required under section 19. The rescission ~~shall~~**must** be filed on a
13 form prescribed by the department of treasury. Upon receipt of a
14 rescission form, the local assessor shall immediately remove the
15 exemption. An owner who fails to file a rescission and whose
16 property is later determined to be ineligible for the exemption
17 will be subject to repayment of any additional taxes with interest
18 as described in this subsection. Upon discovery that the property
19 is no longer eligible personal property, the assessor shall remove
20 the exemption of that personal property and, if the tax roll is in
21 the local tax collecting unit's possession, amend the tax roll to
22 reflect the removal of the exemption, and the local treasurer shall
23 within 30 days of the date of the discovery issue a corrected tax
24 bill for any additional taxes with interest at the rate of 1% per
25 month or fraction of a month and penalties computed from the date
26 the taxes were last payable without interest or penalty. If the tax
27 roll is in the county treasurer's possession, the tax roll ~~shall~~
28 **must** be amended to reflect the removal of the exemption and the
29 county treasurer shall within 30 days of the date of the removal

1 prepare and submit a supplemental tax bill for any additional
2 taxes, together with interest at the rate of 1% per month or
3 fraction of a month and penalties computed from the date the taxes
4 were last payable without interest or penalty. Interest on any tax
5 set forth in a corrected or supplemental tax bill again begins to
6 accrue 60 days after the date the corrected or supplemental tax
7 bill is issued at the rate of 1% per month or fraction of a month.
8 Taxes levied in a corrected or supplemental tax bill ~~shall~~**must** be
9 returned as delinquent on the March 1 in the year immediately
10 succeeding the year in which the corrected or supplemental tax bill
11 is issued.

12 (6) If the assessor of the local tax collecting unit believes
13 that personal property for which a statement claiming an exemption
14 is timely and properly filed under subsection (2) is not eligible
15 personal property, the assessor may deny that claim for exemption
16 by notifying the person that filed the statement in writing of the
17 reason for the denial and advising the person that the denial may
18 be appealed to the board of review under section 30 during that tax
19 year.

20 (7) If a person fraudulently claims an exemption for personal
21 property under this section, that person is subject to the
22 penalties provided for in section 21(2).

23 (8) As used in this section:

24 (a) "Commercial personal property" means personal property
25 that is classified as commercial personal property under section
26 34c or would be classified as commercial personal property under
27 section 34c if not exempt from the collection of taxes under this
28 act under this section or section 9m or 9n.

29 (b) "Control", "controlled by", and "under common control

1 with" mean the possession of the power to direct or cause the
2 direction of the management and policies of a related entity,
3 directly or indirectly, whether derived from a management position,
4 official office, or corporate office held by an individual; by an
5 ownership interest, beneficial interest, or equitable interest; or
6 by contractual agreement or other similar arrangement. There is a
7 rebuttable presumption that control exists if any person, directly
8 or indirectly, owns, controls, or holds the power to vote, directly
9 or by proxy, 10% or more of the ownership interest of any other
10 person or has contributed more than 10% of the capital of the other
11 person. Indirect ownership includes ownership through attribution
12 or through 1 or more intermediary entities.

13 (c) "Eligible personal property" means property that meets all
14 of the following conditions:

15 (i) Is industrial personal property or commercial personal
16 property.

17 (ii) The combined true cash value of all industrial personal
18 property and commercial personal property in that local tax
19 collecting unit owned by, leased to, or in the possession of the
20 person claiming an exemption under this section or a related entity
21 on December 31 of the immediately preceding year is less than
22 ~~\$80,000.00.~~ **\$180,000.00.**

23 (iii) Is not leased to or used by a person that previously owned
24 the property or a person that, directly or indirectly, controls, is
25 controlled by, or is under common control with the person that
26 previously owned the property.

27 (d) "Industrial personal property" means personal property
28 that is classified as industrial personal property under section
29 34c or would be classified as industrial personal property under

1 section 34c if not exempt from the collection of taxes under this
2 act under this section or section 9m or 9n.

3 (e) "Person" means an individual, partnership, corporation,
4 association, limited liability company, or any other legal entity.

5 (f) "Related entity" means a person that, directly or
6 indirectly, controls, is controlled by, or is under common control
7 with the person claiming an exemption under this section.

8 Enacting section 1. This amendatory act takes effect December
9 31, 2022.